

DEPARTMENTAL POLICY

MA Only

Initiate recoupment of an overissuance (OI) due to **client error or intentional program violation** (IPV), **not** when due to **agency error** (see BAM 700 for definitions). Proceed as follows:

- Determine the OI period and amount.
- Determine the OI Type (client error or suspected IPV).
- Initiate recoupment of an OI due to client error.

If IPV is suspected, refer the case to the Office of Inspector General (OIG), if appropriate, by completing a DHS-834, Fraud Investigation Request.

Note: OIs due to IPV are recouped by OIG working directly with the local office fiscal unit.

Exception: Do **not** recoup OIs resulting from hearing decisions upholding MDHHS regarding the level of long-term care.

Reminder: After OI discovery and during recoupment processing, **file certain documents in the Incorrect Issuance Packet** of the case record; see BAM 300.

PROCEDURES

Document decisions and actions on the application form. A manager must review the case record.

MA Payment Information

Complete and email the DHS FIELD REQUESTS-DCH OIG Incoming Data Request Form to OHSIGDataRequests@michigan.gov to obtain a list of MA payments in the OI period. For changes unreported by ongoing recipients, the OI period begins the first day of the month **after** the month in which the standard reporting period **plus** the negative action period would have ended.

Overissuance Determination

When the amount of MA payments is received, determine the OI amount.

For an OI due to unreported income or a change affecting need allowances:

- If there would have been a deductible or larger deductible, the OI amount is the correct deductible (minus any amount already met) **or** the amount of MA payments, whichever is less.
- If there would have been a larger LTC, hospital or post-eligibility patient-pay amount, the OI amount is the difference between the correct and incorrect patient-pay amounts **or** the amount of MA payments, whichever is less.

For an OI due to **any other** reason, the OI amount is the amount of MA payments.

OIG Referral

The **minimum** OI amount for OIG referral is **\$500 unless** the local prosecutor sets a lower amount. OIG through regular channels informs affected local offices of lower amounts.

Refer an IPV that is **under** the set minimum **if** the group's actions are repetitious or flagrant. The local office director or designee must approve the referral.

Recoupment

Before recoupment is initiated, a manager or a designee must review the MA case. After review, notify the client (or legal guardian) in writing that:

- MDHHS must seek recoupment, **but**
- Refusal to repay will **not** cause denial of current or future MA if the client is otherwise eligible.

If recoupment is agreed to, complete a DHS-4358B, Recoupment Agreement, have the client/guardian sign it, then forward the original to the local office for collection. If he/she **refuses** to sign it, inform the local office in writing.

A delinquent OI balance can be referred to Treasury for collection **if**:

- The client signed a DHS-4358B, **or**
- Recoupment is court ordered.

LEGAL BASE**MA**

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